



Pendle Borough Council
Fees and Charges Policy

Version 1.0

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Pendle Borough Council - Fees & Charges Policy

This policy has been developed to ensure the charges for services across the Council are constructed in a consistent manner and that they meet the needs of the Council's strategic priorities.

Aims of the Policy

The policy aims to ensure that:

- Fees and charges are reviewed regularly and set annually.
- Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

In general, charges should ensure that its users contribute to the cost of the service provided for the purpose of recovering the expenses of the service, unless it is subsidised. However, there may be certain circumstances where this would not be appropriate. For example:

- Where the council is prohibited from charging for the service (e.g. collection of household waste).
- Where the introduction of a charge would impede the delivery of corporate priorities.
- Where administrative costs of charging outweigh the potential income.
- Where the service is seen to be funded from Council Tax (i.e. services which are provided and delivered equally to all residents).

The following overarching principles apply for the consideration and review of all current and future fees and charges levied by the council:

- Fees and charges should support the improvement of services, and the delivery of the Council's corporate priorities, as set out in the strategic plan.
- Where a subsidy or concession is provided for a service, this must be targeted towards the delivery of strategic priorities, for example, by facilitating access to services.
- The process for setting and updating fees and charges should be administratively simple, transparent and fair, and for budgeting purposes, income projections must be robust and rational.

Guidance for Service Managers

Below is a list of guiding principles intended to assist decision makers in determining the appropriate level at which to set fees and charges:

- Charges for discretionary services are expected to be set in order to fully recover their costs, unless there is a specific decision by the Council to subsidise the service for policy reasons.
- Fees and charges may be used to manage demand for a service, and price elasticity of demand should be considered when determining the level at which charges should be set.
- Fees and charges should not be used to provide subsidies to commercial operators.
- Concessions for services should follow a logical pattern and a fair and consistent approach should be taken to ensuring the recovery of all fees and charges.
- Prices could be based on added and perceived value, which takes account of wider economic and social considerations, as well as cost.
- There should be some rational scale in the charge for different levels of the same service and there should be consistency between charges for similar services.
- Policies for fees and charges should fit with the Council's Medium Term Financial Strategy and, where appropriate, should be used to generate income to help develop capacity, to deliver efficiency and sustain continuous improvement.
- In certain areas, charging may be used to generate surpluses which can be used to finance other services.

Wherever possible, charges should be recovered in advance or at the point of service delivery. If this is not possible, then invoices should be issued promptly and appropriate recovery procedures will be followed as required. Use of direct debit should be encouraged for periodic payments where this would improve cost effectiveness and enable efficient and timely collection of income.

Assessing Costs

Councils are free to decide what methodology to adopt to assess costs. Pendle Borough Council follows the Service Reporting Code of Practice definition of total cost, including an allocation of all related support costs, plus an appropriate share of corporate and democratic core and non-distributed costs.

- The full staffing costs for the service (Salary, national insurance and pension)
- Transport, Premises and Supplies & Services
- Department costs such as accommodation, IT and Insurance, Finance, Human Resources etc.
- Corporate & Democratic costs
- Depreciation and Financing costs
- Debt collection and bad debt write-off
- Cost of concessions

Concessions & Subsidies

The normal level of fees and charges may be amended to allow for concessions targeted at certain user groups to encourage or facilitate access to the service.

Where concessions are proposed or already in place they must be justified in terms of overall business reasons, or implementation of key strategic considerations e.g. community safety, healthy living.

Examples of concessions and the reasons why they are awarded are:

- Price Reductions for children to encourage different age groups to participate in the sport.
- Free spaces for disabled drivers in Council car parks to support social inclusion.

In some cases, it may also be justifiable to subsidise a service for all users, where it would support delivery of strategic priorities.

Impact Assessment

A fair and consistent approach should be taken to the application of concessionary schemes, and decisions should recognise the Council's broader agenda on promoting equality, as set out in the Equality Policy. When considering new charges, or significant changes to an existing charge, the budget manager should complete an Equalities Impact Assessment.

All decisions regarding concessions and subsidies should consider the impact to the Council's ability to generate income and the Medium Term Financial Strategy.

Annual Review

A Fees & Charge report will be taken to the Council each year to approve all charges for the following financial year, with the new charges commencing from 1st April (unless otherwise agreed).

Charges will be subject to annual inflationary increase. This will be based on the previous September CPI inflationary increase but may be amended, subject to the discretion of the relevant Service Manager.

VAT will be applied where appropriate and in line with HMRC guidance.

Monitoring

- Proposals to introduce new charges should be considered as part of the service planning process and income projections should be factored into the Council's medium term financial plan.
- Reasonable notice should be given to customers and service users prior to the introduction of a new charge, along with advice on concessions and discounts available.
- Proposals should incorporate the anticipated financial impact of introducing the charge, as well as the potential impact on demand for the service.

- Performance should be monitored following the implementation to enable amendments to the charge if required, and the charge will subsequently be picked up as part of the annual review process.
- Income levels will be monitored throughout the Budget Monitoring process.
- Demand for services will be monitored through quarterly performance monitoring reports, where this is identified as a key performance indicator.

Statutory & Discretionary Fees

Fees and charges for **statutory** services are often set nationally, for example planning fees and some licensing fees. The majority of statutory services are not funded directly from fees and charges but instead from the Council's other main sources of revenue, i.e. local taxation and government grants. Building control is a notable exception to this as fees are levied to recover the full cost of the service.

In some cases there is scope to provide discretionary services over and above the statutory service with the introduction of a supplementary charge, for example, pre-application planning advice.

The Local Government Act 2003 provides clarity over charging powers and is clear that a local authority can charge for **discretionary** services on the basis of recovering the full costs of providing the service but that, taking one year with another, the charges do not exceed the full costs of provision.

Fees that are set by central government are outside the scope of this policy. Periodic reviews of the rents and leases are outside the scope of this policy.

Overview of Charges and Discretionary Services

- Resources Directorate
 - Land Charges
- Housing, Health & Engineering
 - Car Parking
 - Residential Parking Permit
 - Licences
 - Pest Control
- Environmental Services
 - Outdoor Recreation
 - Burial Fees
 - Trade Waste
 - Replacement Bins
 - Bulky Waste Collection
 - Playground and Grounds Maintenance
- Planning, Economic Development and Regulatory Services
 - Planning including Pre Planning
 - Taxi Licences
 - Building Control